

quantities of goods, and not simply their values, since the import of a particular commodity may be greater in bulk at one time than another, but its value may be less, or, in other words, the articles have been bought at a diminished cost. Or the quantity imported may be smaller but has entailed an increased price. We may be importing or receiving a more augmented supply than usual of raw materials for conversion into finished products in our manufactories, for exportation or sale in turn, and the significance is that our industries, power of consumption, labour, wages, the more extended employment of capital, and the profits upon capital are in vigorous and hopeful exercise.

But the fact that we import or buy a larger volume and value of goods than the quantity and price of those which in exchange we export or sell forms a constant perplexity to many minds. If the purchases of the nation always exceed its sales in value, the nation, it is often alleged, must be constantly incurring debt and pursuing the path to financial embarrassment and even bankruptcy. If a tradesman who makes shoes sells them to other tradesmen in exchange for food, clothes, and other forms of necessity and comfort, we can see that through the instrumentality of money he is really bargaining (or exporting) shoes for these different commodities (or imports) which he receives. Similarly with a nation : the payment for the imports it needs and procures is settled, not in cash, but in the exports of goods to other countries of, on the whole, an equivalent value. The two exchanges should therefore be approximately equated. But when the amount of purchases surpasses the amount of sales, surely, argues the bewildered critic, an accumulating debt is being incurred whose settlement, when it arrives, must strain the national resources !

The fact that, notwithstanding this continuous excess of imports over prolonged periods, we are still prosperously existent and full of enterprise, with unrivalled means to support our efforts, should in itself furnish an ample and conclusive reply.

But the simple explanation will be more effective upon the troubled and untutored mind. England is the largest carrying nation which history has ever known, and its vessels form the principal mode of sea-conveyance for the goods of other countries, not simply to England, but to every port the globe possesses. Hence we earn a very substantial sum in freight